

MINUTES OF MEETING May 24, 2018

The regular monthly meeting of the Northampton Retirement Board was called to order by Chairperson Karpinski at 1:32 p.m. in City Council Chambers, Municipal Hall, 212 Main Street, Northampton, MA.

Members present were Joyce Karpinski, Shirley LaRose, Michael Lyons and Susan Wright. Thomas Sullivan was absent. Also present was Retirement Administrator David Shipka and Administrative Assistant Elsie Vazquez.

Visitors

None

New Business

Larry Stone was present to report his actuarial findings.

In the last two years the Retirement System experienced a market gain on assets, however actuarially, there had been a loss to the value of assets. Mr. Stone reported an increase to the salary assumptions and new retirements over what was expected at the last valuation contributed to an increase to the actuarial liability.

The increased assumption for salaries was due in part to the increase in hours for department heads and several other employees that occurred since the last study. Ms. Wright wanted to be certain that the salary data for the firefighter EMT stipend was not inflating the results. Last year the EMT stipend went from being payable once a year to the same amount being paid in two divided payments in June and December. Depending on which period Mr. Stone had used, it is possible that an additional payment was included. Ms. Wright will provide detailed information about the timing of these payments to Mr. Stone and he will adjust the assumption if appropriate.

The current schedule has 13 years remaining. To keep the current schedule length and assumption rate of 7.5% would require annual contributions exceeding \$7.1 million. Ms. Wright said this would be difficult for the City to afford.

Of the options Mr. Stone compiled, Ms. Wright suggested that the Board set the assumption rate to 7.25%, with a 3.76% rate of amortization, thereby pushing the schedule out to 17 years from 13. The estimated total contribution for the two units combined would be \$6.7 million.

After Mr. Stone will report back to the administrator after reviewing the firefighter stipend assumption.

At the end of the presentation Mr. Stone exited the room.

Ms. Wright and Mr. Lyons volunteered to serve on this year's staff evaluation committee. A meeting with the administrator is scheduled for May 31st. The committee will report back at the regular June meeting.

Regular Business

The Board accepted the following new members:

Sarah Greismer (School)
Maria Borrás (Housing)
Kaitlin Hanning (Housing)
Heather Maxwell (Housing)
Jacqueline Barajas (School)

The Board accepted the retirement applications for the following members:

Scott Smith (School)
James Clark (DPW)

On a motion made by Ms. Wright and seconded by Mr. Lyons, the Board voted unanimously by roll call (4-0) to accept the aforementioned retirement application(s) (Karpinski: Yes, LaRose: Yes, Lyons: Yes, Wright: Yes).

The Board reviewed retirement allowances for the following retirees:

None

The Board reviewed the following deceased members/retirees/survivors:

None

On a motion made by Ms. Wright and seconded by Ms. LaRose, the Board voted unanimously by roll call (4-0) to approve the minutes of the regular meeting held on April 24, 2018 (Karpinski: Yes, LaRose: Yes, Lyons: Yes, Wright: Yes).

The Board reviewed and approved the following warrants:

Board and staff payroll warrant totaling \$11,764.13
Pension payroll warrant totaling \$862,214.24
Accounts payable warrant totaling \$61,754.28

The Board reviewed the following reports:

March Trial Balance

Transaction journal from the de Burlo Group, Inc for April 2018
PRIT Statement for April 2018

The Board reviewed the following wire transfers for the current month:
\$700,000 from Peoples' United Bank To Florence Savings Bank
\$10,456.99 from PRIM to Peoples' United Bank (distribution)

The Board reviewed the treasurer's report on the Florence Bank account for April:
Bank statement: \$181,494.93
Outstanding disbursements: \$172,472.21
Adjusted bank balance: \$9,022.72
Outstanding receipts: \$18,154.38
Trial Balance end of month balance: \$27,177.10

The Board reviewed the following makeup/buyback requests:

Helen Plant	Acceptance of liability for membership from 5/17/1999 to 6/30/2005, refunded on 7/21/2005, upon successful completion of a buyback with the Framingham Retirement System in the amount of \$15,355.67 plus future interest, amounting to 6 years and 1 month of creditable service.
-------------	---

On a motion made by Ms. Wright and seconded by Ms. LaRose, the Board voted by roll call (4-0) to approve the aforementioned request (Karpinski: Yes, LaRose: Yes, Lyons: Yes, Wright: Yes).

The Board reviewed the following correspondence:
PRIM Quarterly report and April update

Old Business

The administrator reported that the following two firms had responded to the legal RFP:
James H. Quirk, Jr., P.C.
Robbins Geller Rudman & Dowd

The Board reviewed a report prepared by the administrator ranking the two proposals under the criteria set forth in the RFP. The Board found that Robbins Geller Rudman & Dowd was offering securities litigation services only and lacked the specific experience to counsel the Board on a broad range of Chapter 32 matters as stipulated in the RFP. Mr. Quirk ranked favorably in all areas the Board was interested in.

Ms. Karpinski pointed to his impressive amount of experience working with Chapter 32. It was noted that he was offering to freeze his fees for the first two years of a new contract, after which fees would be renegotiated. Ms. Wright thought that the fee offer was reasonable. No one on the Board had any issues with Mr. Quirk's legal services.

After a brief discussion, on a motion made by Ms. Wright and seconded by Mr. Lyons, the Board voted by roll call (4-0) to award the contract to Mr. Quirk (Karpinski: Yes, LaRose: Yes, Lyons: Yes, Wright: Yes).

The administrator will notify the parties of the decision and begin the process of assembling the necessary documents to complete the procurement.

Other Business

The Board reviewed an estimate of travel expenses for the upcoming MACRS conference. On a motion made by Ms. Wright and seconded by Ms. LaRose, the Board voted unanimously by roll call (4-0) to approve the expense (Lyons: Yes, LaRose: Yes, Karpinski: Yes, Sullivan: Yes).

Mr. Lyons reported on the recent PERAC training session he had attended in Springfield earlier this month, Recent Cases of Interest.

Adjournment

On a motion made by Mr. Lyons and seconded by Ms. LaRose, the Board voted unanimously by roll call (4-0) to adjourn the meeting at 3:04 p.m. (Lyons: Yes, LaRose: Yes, Karpinski: Yes, Sullivan: Yes).

The next regular meeting is scheduled for Tuesday, June 26th at 1:30 p.m. in Council Chambers.

Respectfully Submitted,

Retirement Administrator

THESE MINUTES WERE APPROVED BY THE RETIREMENT BOARD ON 6/26/2018

APPROVED:

_____ **Joyce Karpinski, Chairperson**

_____ **Shirley LaRose**

_____ **Michael J Lyons**

_____ **ABSENT** _____ **Thomas Sullivan**

_____ **Susan Wright**

PAGE INTENTIONALLY LEFT BLANK